

IRAQ RECONSTRUCTION FAILURES

Mr. LEAHY. Mr. President, we learned this past week of the latest example of the colossal waste, fraud and abuse in the administration's reconstruction program in Iraq.

Documented in the Special Inspector General's report released last Friday is the fiasco of the Basra Children's Hospital, yet another casualty on the long list of U.S.-financed infrastructure projects in Iraq to face cost overruns, mismanagement, delays and potential cancellation.

Back in 2003, Congress allocated \$50 million for the construction of a 94-bed state-of-the-art children's cancer treatment hospital in southern Iraq. Despite repeated calls from humanitarian organizations and experts at the United States Agency for International Development to instead work with the Iraqis to rebuild their primary health system, the Bush administration promoted this high-profile, glitzy project championed by the White House.

Nearly 3 years later, due to gross mismanagement, the hospital is only 35 percent complete, out of money and teetering on the verge of collapse. The cost overruns are so significant that the project will cost between \$120 and \$160 million to complete and is not expected to be finished until December 2007, over a year later than planned. Meanwhile, Iraqis continue to suffer from low quality and poor access to basic health services.

USAID is at fault for not properly accounting for all the costs of constructing the hospital and should have consulted with Congress when they knew about cost overruns and scheduling delays. But press reports have ignored the fact that from the beginning, USAID wisely opposed this costly, misguided infrastructure project in a dangerous and corrupt environment, knowing of the likelihood that these problems could arise.

Bechtel, the lead government contractor for the Basra Hospital project and the same contractor for the flawed Boston Big Dig tunnel project, has once again been dismissed from a large-scale project due to incompetence. Sadly, this is not the first nor is it likely to be the last instance of waste, fraud and abuse in the reconstruction of Iraq under the negligent leadership of the Bush administration.

The Office of the Special Inspector General for Iraq Reconstruction has been the watchdog for the billions of dollars appropriated for Iraq reconstruction programs and operations. The creation of the office was initially opposed by the White House and by some in Congress who would prefer that the appalling blunders of the Iraq reconstruction program not be exposed to the light of day.

By all accounts, the Special Inspector General has done an excellent job under difficult and dangerous conditions by uncovering numerous instances of waste and fraud and there are dozens of investigations and prosecutions under way.

The picture provided by the Special Inspector General is in stark contrast to the rhetoric coming from the administration that reconstruction is moving forward at a rapid pace. Thanks to the persistent leadership of Senator FEINGOLD, and with support from Senators WARNER and LEVIN, we were able to include a Feingold-Leahy Amendment to the Senate version of the fiscal year 2007 Defense authorization bill to extend the life of the Special Inspector General for Iraq Reconstruction and ensure continued and necessary audits of the very programs the Special Inspector General was created to oversee. It is crucial that this provision be retained in the final version of the bill.

Mr. President, the tragedy of the Basra Children's Hospital project speaks volumes about this administration's Iraq policy. It is a legacy of arrogance, squander and incompetence. Just throw money at the problem and hope for the best. Use expensive American contractors rather than Iraqis who are unemployed or underemployed and could do the work for a fraction of the cost. And then try to shut down the office that exposes the waste. It is shocking, it is tragic and it is inexcusable.

AMERICAN LEADERSHIP

Mr. HAGEL. Mr. President, I ask unanimous consent to have printed in the RECORD my remarks given at the Brookings Institution on July 28, 2006.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A DEFINING TIME FOR 21ST CENTURY
AMERICAN LEADERSHIP

U.S. SENATOR CHUCK HAGEL, REMARKS AS PREPARED FOR DELIVERY AT THE BROOKINGS INSTITUTION JULY 28, 2006

I am honored to be invited to speak here today as a part of the Brookings Institution's 90th Anniversary Leadership Forum. Brookings has been at the center of every important policy debate in this country for 90 years. Thank you to Strobe Talbot, Carlos Pascual, and all the men and women of Brookings for your continued contributions to our national debate. I see Martin Indyk and Ken Pollack in the audience. Thank you for the fine work you do with the Saban Center for Middle East Policy.

As we recognize the 90th Anniversary of the Brookings Institution, it is instructive to reflect back on the world of 1916 when Brookings was born . . . then known as the Institute for Government Research. In 1916, the world was in a period of wrenching and bloody transition. War raged in Europe. It was a war triggered by a series of tragic misjudgements stemming from decades-old resentments and shifting European alliances. It was a war fueled by the Industrial Revolution . . . the most deadly war the world had ever known. Within one year, the United States would shake-off its historic isolationism and engage in its first global conflict.

The Treaty of Versailles brought an end to the fighting, but it did not bring resolution. The United States retreated from a position of world leadership and back into its shell of irresponsible isolationism . . . the world economy collapsed, and lingering global

resentments continued to heighten. Roughly twenty years later, harsh post-war reparations and arrogant nationalism gave rise to an even deadlier period of global transition: World War II.

America's leaders following World War II learned from the failed and dangerous policies of the first half of the 20th century. After World War II, the United States became the indispensable global leader. Along with our allies, we created organizations of global interests and common purpose like the United Nations, the General Agreement on Tariffs and Trade (now the World Trade Organization), NATO, the World Bank, the International Monetary Fund and dozens of other multilateral institutions. Leaders like Truman, Marshall, Acheson, Hull, Vandenberg and Eisenhower led in the rebuilding of Europe and Japan.

Ninety years after the creation of the Brookings Institution, we live in a different world . . . but once again a world in transition. The lessons learned after World War II still apply. American leadership is still indispensable in the world . . . and the institutions and alliances formed after World War II are as vital today as when they were formed.

For decades, the United States used its power and influence to help forge international consensus on vital issues. America's leadership inspired the trust and confidence of a generation of governments and nations around the world . . . because we pursued common actions that reflected common interests with our allies . . . because we remained committed to global engagement . . . and because we exercised our power with restraint. We made mistakes. It was imperfect. There were differences with our allies. But despite the imperfections and shortcomings, the United States and its allies contributed to world stability and the spread of freedom and prosperity.

Today, the world and America are in deep trouble. In a speech before the Council on Foreign Relations last November, I warned that the world's trust and confidence in America's purpose has seriously eroded. America is increasingly not seen as the wellspring of consensus that for decades helped create alliances and coalitions grounded in common objectives and common interests.

This is in contrast to a very troubling trend toward isolationism that is emerging in America today—a trend that was reflected in this week's New York Times/CBS News poll of Americans about our country's role in the world. This trend is a looming concern that may not be obvious but is manifest across seemingly unconnected events and issues. We must avoid the trap of limiting our power by allowing ourselves to become isolated in the world. America must not allow itself to become isolated through mindless isolationist remedies to difficult and complicated problems.

In the 1930s, the threat of Adolph Hitler's Nazi Germany was not taken seriously. Most did not recognize this threat until World War II was upon them. But there was a voice sounding an alarm. Throughout the 1930s, Winston Churchill urged his countrymen and Europe to see the world through the clear lens of reality—not through the blurred lens of misplaced hope. On October 3, 1938, the House of Commons debated the Munich Agreement that Prime Minister Chamberlain had negotiated with Hitler. Many saw this agreement as the assurance of peace with Germany. Churchill disagreed. He said:

"Can we blind ourselves to the great change which has taken place in the military situation, and to the dangers we have to meet? This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless by a supreme